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AUTHOR Sanderson, Barbara
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ABSTRACT

This module on owning and operating a home attendant service is one of 36 in a series on entrepreneurship. The introduction tells the student what topics will be covered and suggests other modules to read in related occupations. Each unit includes student goals, a case study, and a discussion of the unit subject matter. Learning activities are divided into individual activities, discussion questions, and a group activity. Units (and subject matter) in this module are planning your business (services, customers, and competition; personal qualities; legal requirements); choosing a location (customers; competition; balance between customers and competition; personal considerations); getting money to start (information needed to get a business loan; financial information); being in charge (tasks; selecting staff; employee satisfaction); organizing the work (keeping track of the staff; work orders; scheduling; time cards; time planning); setting prices (acceptable to customers; in line with competition; components of price; establishing a price); advertising and selling (customer needs; advertising and promotion; selling and customer relations); keeping financial records (importance of financial records; customer billing; daily cash sheet); and keeping your business successful (profit and personal satisfaction; key elements of a successful business; profit/loss statement). A summary and quiz complete the document. (A teacher's guide is available for the module.) (CT)

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GETTING DOWN TO BUSINESS:

Home Attendant Service

Module 26

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GETTING DOWN TO BUSINESS:

Home Attendant Service

Barbara Sanderson

May 1981

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TABLE OF CONTENTS

Introduction 1

Unit 1
Planning a Home Attendant Service 3
Learning Activities 11

Unit 2
Choosing a Location 13
Learning Activities 20

Unit 3
Getting Money to Start 23
Learning Activities 29

Unit 4
Being in Charge 33
Learning Activities 41

Unit 5
Organizing the Work 43
Learning Activities 52

Unit 6
Setting Prices 55
Learning Activities 61

Unit 7
Advertising and Selling 63
Learning Activities 70

Unit 8
Keeping Financial Records 73
Learning Activities 80

Unit 9
Keeping Your Business Successful 83
Learning Activities 91

Summary 93

Quiz 95

INTRODUCTION

How are you going to use your job skills after you finish school?

Have you ever thought about starting your own home attendant service?

This module describes people who have started and managed home attendant businesses. It gives you an idea of what they do and some of the special skills they need.

You will read about:

- planning a home attendant service
- choosing a location
- getting money to start
- being in charge
- organizing the work
- setting prices
- advertising and selling
- keeping financial records
- keeping your business successful

You will also have a chance to practice some of the things that home attendant business owners do.

Then you will have a better idea of whether a career as a home attendant business owner is for you.

Before you study this module, you might want to read Module 1, Getting Down to Business: What's It All About?

When you finish this module, you might want to read

Module 23, Getting Down to Business: Day Care Center;
Module 24, Getting Down to Business: Housecleaning Service;
Module 25, Getting Down to Business: Sewing Service.

These modules are related to other businesses in occupational home economics.

UNIT 1

Planning a Home Attendant Service

Goal: To help you plan your home attendant service.

Objective 1: Describe the services, customers, and competition of a home attendant service.

Objective 2: List three helpful personal qualities of the owner of a home attendant service.

Objective 3: List three ways to help your business compete successfully.

Objective 4: List one or more special legal requirements for running a home attendant service.

Buy and keep track of goods
Organize the work
Set prices
Be in charge of people
Advertise and sell
Plan the business
Keep financial records
Keep the business successful

DELLA JACKSON PLANS A HOME ATTENDANT SERVICE

Della Jackson began working as a home attendant in high school. She earned money by helping out two elderly couples who lived on her block. She would visit after school. She did some light housekeeping, made dinner, and ran errands for them. She says, "They were getting old and had trouble doing some of the tasks around the house. I guess they could have hired a housecleaning service. But I think what they wanted most was the companionship and having someone to talk with."

Della decided that she liked working with older people and wanted to pursue a career in this field. She took courses at a junior college to get a home health aide certificate. She also took classes in gerontology (the study of old age), nutrition, and social service administration.

While she was taking classes, Della worked during summers and part-time during the year for a homemakers service. She was assigned to vist elderly and shut-in people. She helped them with their household and personal tasks. Della talks about her work experience.

"I found that the work was physically hard sometimes. It was especially hard when I needed to move people in their bed or help them walk. Some of the people I worked for were depressed and needed a lot of emotional support. But I felt I was helping people who needed the help. I got satisfaction from the work."

Della did well on her job and was promoted to supervisor of other employees. Then she worked in the office for two years. She scheduled customers and interviewed applicants for home attendant positions.

Della married and moved to a new community. She was surprised to learn that the town did not have the type of homemaker service she had been providing. She decided to start her own business of providing homemaker service for elderly and shut-in people. She got a business license and insurance. She then set up her own small business!

Planning a Home Attendant Service

There are many, many small businesses in America. Small businesses can have as few as one worker (the owner) or as many as four workers. A small business owner is "self-employed." Often a whole family works together in a small business.

Della Jackson started her own home attendant service. As you work through these materials, you will see how her business developed. In this section you will learn about these four things involved in planning a home attendant business:

- deciding what the services, customers, and competition will be;
- deciding what personal skills and characteristics are needed to operate this type of business;
- deciding what to do to compete successfully; and
- learning about the legal requirements for running this type of business.

Services, Customers, and Competition

An important step in planning is to decide what services you will offer, who your customers will be, and what the competition offers.

Services. A home attendant, homemaker, or home health aide works in a client's home performing any combination of the following types of tasks:

- does light housekeeping;
- does light laundry;
- plans and prepares meals, sometimes following a special diet;
- assists client with bathing, with dressing, and with other grooming;

- assists client to move from bed to chair, down stairs, or into a car;
- shops for food and does other errands;
- drives the client to the doctor or other places;
- serves as a companion and chats, plays games, reads aloud, goes for a walk, or shares other activities;
- helps with child or infant care;
- does other household tasks, such as caring for pets or paying the bills; and
- calls or visits to see that the client is all right and does not have emergency needs.

In summary, the home attendant does what is needed to manage the household and to make the customer comfortable. The specific tasks depend on the needs of the client. The home attendant does not do tasks that require nursing skills or heavy housecleaning.

Customers. There are many people who can use the help of a home attendant. The elderly, handicapped, families with children, working people, and sick people all may need assistance in their home.

About 10% of the population is over 65. This percentage is increasing. Many of these older people are able to live on their own with the assistance of a home attendant. Otherwise they would have to live in a convalescent home. Also as more women work, there is an increased need for both temporary and long-term help in the home. Many people would like a home helper. But they often are not able to afford to pay much for the help.

Competition. There are a number of ways that home attendant services can be provided. A person may want a permanent full-time or live-in attendant. Then she or he will often hire a person. Sometimes the person will contact a nursing registry. Some nursing registries fill requests for home attendants both on a temporary and a long-term basis. Nursing registries usually focus on providing health services.

They may have a minimum of four hours of service. Some nursing registries are small owner-operated businesses. Others are large companies with branch offices in different communities. Some businesses specialize in providing homemaking services. Often they schedule a homemaker for two hours a day, one or more times a week. It depends on the needs of the customers.

Della plans on providing this type of service. There are other ways to organize the services provided. A person could set up a business to provide meals, to do daily telephone calls, to do errands, or to provide any other specific service that a home attendant often does.

Personal Qualities

Della wants to know if she has the personal qualities to run her own business. Below is a description of the personal qualities she felt would be important.

- She feels it is important to relate well with people and be sensitive to their needs.
- She wants to be patient and reasonable in dealing both with the customers and her employees.
- Della knows she must have a balance between wanting to care for people and wanting to make money to stay in business.
- She knows she must be organized and pay attention to details for the business to run smoothly.
- She knows it will take hard work to start and maintain her own business.

Background and experience that would be helpful to the owner of a home attendant business include: home economics, administration, accounting, personnel, social work, counseling, gerontology, public health, disabilities, and related fields. There is no set list of requirements for running a home attendant business. The useful skills can be acquired in various ways.

How to Compete Successfully

There are several things you can do to compete successfully. We will mention them now. You will learn more about them as you study this module.

- Do a lot of research and planning before you start. This will help you decide what services to offer and where to offer them.
- Strive to keep your business expenses low and the quality of your services high. You should offer a service that people want at a price they can afford.
- Establish a business image that people will remember. You will want to be professional, yet friendly.

Legal Requirements

Legal requirements vary according to the types of services you offer and where you are located. You will probably need a local business license. You may need to be bonded. This means you guarantee to pay up to a certain amount in claims against you. Your staff will probably need to meet certain health requirements. These include a TB check or a physical examination. Also there may be local certification programs, such as a certification for a home health aide. To find out what the legal requirements are in your area contact the Department of Consumer Affairs or the Department of Health.

There are other legal requirements to think of when home attendant services can be paid for through medical insurance, government programs, and workers' compensation. It is helpful to the home attendant service if some of the costs of the service can be paid for through such sources. Often nursing services are covered, but home attendant services are not. The business owner must check on the current legal requirements.

Summary

There is a need for home attendants to provide light housekeeping, cooking, and personal assistance to elderly, disabled, and ill people. As the number of aged increases, the demand for this service will grow. An owner of a home attendant service should care about people and also have good business sense.

Learning Activities

Individual Activities

1. List three types of people who might want a home attendant. List 10 services a home attendant might provide.

2. Look in the Yellow Pages of the telephone book under "Home Health Services" or "Homemakers." Count how many businesses are listed. Also look under "Nurses and Nurses Registries." See which ones list staff such as home health aides, housekeepers, home managers, companions, and live-ins.

3. Do you think you have the personal qualities to run a home attendant business? Put a check by each quality you think you have.
   _____ works well with people
   _____ patient
   _____ good business sense
   _____ well-organized
   _____ willing to work long hours

4. List three legal requirements you may need to meet to start a home attendant service.

5. Look in the Yellow Pages of the telephone book under "Home Health Services" or "Nurses Registries." Make a list of three things that are mentioned in the ads to make the business stand out or be special.

Discussion Questions

1. Discuss the need for a home attendant service in your local area. Do you think such a service is needed? Who would be the main users?

2. What do you think are the advantages or disadvantages of an elderly person living at home as compared to moving to a senior care home?

3. What do you think are the advantages and disadvantages of running your own business as compared to working for someone else?

Group Activity

Call a home attendant agency or a nurses registry and invite a representative to visit your class to tell you about career opportunities in this field.

Develop a list of questions to ask the representative. For example, What services do you offer? What customers do you serve? What is your competition like? What knowledge or skills do you need to run such a business? List at least 10 questions.

UNIT 2

Choosing a Location

Goal: To help you choose a location for your business.

Objective 1: List three things to think about in deciding on a service area for your business.

Objective 2: Pick the best office location for a home attendant business from three choices.

DELLA CHOOSES A LOCATION

Della wanted to do some research before jumping into a new business. She started by looking in the newspaper. She found that there were several ads placed by people seeking household help. She was encouraged. She next contacted the discharge planners at the three hospitals in town. They said that the local nurses registries did a good job of providing nursing care. However, there was a need for on-going assistance for people who did not really need nursing care.

Next Della talked with nursing home directors and local social service workers who dealt with the aged. Della found that they also felt there was a need for her services. Some government funding might be available for such services.

Della was pleased with the information she had gathered. She said, "I feel confident that there really is a need for a home attendant business. Now I'm ready to invest some money and rent an office. And my husband feels good about how I've gone about my planning. He thinks it is a great idea."

Next Della looked for an office. She found a space in a building between the downtown and one of the major hospitals. She took out a six-month lease on a space with a small reception area and a private office.

Choosing a Location

There are several things to think about when you choose a service area for your business and decide what services you will offer. You should consider:

- Are there enough customers in the area?
- What is the competition?
- Is this where you want to work?

You also need to decide on a location for your office. Things to think about are:

- Is the space appropriate?
- Can I afford the rent?
- Is the location convenient for job applicants?
- Does the building reflect the image I want?
- Does the location help in attracting customers?

Customers

Della's customers are elderly or other people who want help in the home. They have money to pay for this service. Likely customers would be people who have just been released from a hospital or nursing home. Other possibilities are elderly people who do not have family or friends to care for them.

Some ways to do market research for a home attendant service could include the following.

- Contact the county or city planning department and get information on: the number of people in an area, the age distribution, the income level, and trends in neighborhoods. Some neighborhoods may have a high percentage of older people. But they may

be too poor to afford the service. Another area may have strong family traditions where older people are cared for by their family.

- Talk to hospital discharge workers who arrange for the release of people leaving the hospital. Ask them if they know of a need for home attendant services.
- Look in the classified section of the newspaper to see if people are advertising for home help.
- Talk to administrators at convalescent homes, senior centers, churches, and social service agencies about the need for home services.

Competition

Nursing registries usually provide home attendant services. Also some of the temporary employment agencies provide people to do these services. Many people have jobs as home attendants and do not work through an agency.

A home attendant service can compete by offering more personalized attention or flexible scheduling. Della planned to specialize in long-term home attendant service for a few hours a week. One person may want someone to come daily for two hours. Another customer wants someone to come twice a week for three hours. Della planned to establish a service flexible enough to meet these needs. She also planned on providing short-term, all-day service for people returning from the hospital or who had other emergency needs.

Balance Between Customers and Competition

What is important is the number of customers in relationship to the people offering the service. A big city may have a dozen home attendant services and have more business than they can handle. A small town may

not have enough people to support even one such service. So it is important to consider both supply and demand.

Personal Considerations

There are other things to consider about the location. You might ask, "Is this where I want to work? Is this where I want to start a business?" People often have personal reasons, such as friends or family, for deciding where to start their business. Della moved to a new town with her husband.

Selecting an Office Location

The office should be in a convenient location. Home attendants will come to the office for their initial interview. Later they may stop by while they are working. They should have easy access to the office. Sometimes the office location can attract customers. They may rarely visit the office. But there might be an advantage to be near a hospital or in a neighborhood where there is a strong demand for your service.

The office itself should have a reception area and a private conference space, for interviews or discussions. The office does not need to be fancy. But it should be clean, neat, and attractive. The building should be in good condition. Also you must be able to afford the rent.

If you intend to hire no employees and sell only your own services, you can work from your home.

Summary

Once you have decided to open a home attendant business, you must research the need for services. You must find out who else provides these services. Your office should be professional in appearance and convenient for your staff.

Learning Activities

Individual Activities

1. List three sources of information on the need for home attendant services in a community.

2. Look in the classified section of a local newspaper for ads for home workers. Bring the ads to class.

3. Look in the Yellow Pages of the telephone book under "Home Health Services" or "Nurses Registries." Count the number of businesses listed. Select one you think might be a large company. Write down why you think it is large.

4. Look up the addresses of three home attendant businesses in the Yellow Pages of the phone book. Find them on a map. Try to drive by one or more of the businesses to see where they are located. If possible, stop and ask for a brochure on the services they offer. Ask what they are looking for in employees.

5. Look in the classified section of your local newspaper under "Business Rentals." Make a list of features mentioned that you think would be desirable for a home attendant service. Make an estimate of how much it would cost to rent a small office in your town.

Discussion Questions

1. Which of these locations seems best for starting a home attendant service? Discuss.
   - A neighborhood in a city with many older people (there are ethnic groups with strong family loyalties in the neighborhood); or
   - A fairly wealthy area of a town where people tend to stay a long time (the population of the area includes many retired people).

2. Della saw these two listings on available office space. Which do you think she should choose? Why?

Office Space
Small office in
professional building
$200/month
or
Shopping Center
Office or Store/Parking
$500/month
1 year lease

3. Compare the advantages and disadvantages of being a small home attendant business to being part of a large company with branch offices.

Group Activity

In a small group, discuss whether you think it would be wise to start a home attendant service in your area. Why? What kinds of services would you offer?

UNIT 3

Getting Money to Start

Goal: To help you plan how to get money to start your business.

Objective 1: Write a business description for a home attendant service.

Objective 2: Fill out a form showing how much money you need to borrow to start your home attendant service.

DELLA GETS MONEY TO START HER BUSINESS

Della made a list of the expenses she would have during the first three months of business:

Uses of Cash - First Three Months

Rent	$ 600
Utilities and phone deposits	200
Business licenses, insurance, and accounting advice	300
Advertising	1,300
Furniture and equipment	2,000
Promotion (stationery, cards, and brochures)	250
Supplies	150
Cash fund and other	200
	$5,000

Della also needed money to pay the salaries for the home attendants while she was waiting for customers to pay her. She decided she needed $10,000 to pay salaries for her employees. She did not include a salary for herself during the first three months.

Now Della knew how much money she needed. She and her husband, Robert, talked about their finances and how much they could invest. Robert was pleased that Della was starting her own business. He wanted to do what he could to help make it a success. They decided to invest $5,000 of their own money. They would try to get a line of credit at the local bank to borrow up to $10,000 for the attendants' salaries. They would use their home as collateral or a guarantee that Della would pay the loan back.

Della prepared a business description to present to the bank loan officer. She included information on her education and experience, facts about the business, and financial information. She discussed her business description with an accountant before going to the bank. She was very pleased when the bank agreed to lend her the money she needed to start her business.

Getting Money to Start

Starting a new business requires money. How much money depends on how large an operation you want to have. You can work alone and start your own home attendant service with very few expenses. It would be more expensive to start a service such as Della's. You would need to hire people to go into homes and coordinate the work they do. In this section you will learn about how to get money to start a home attendant service.

Sources of money are:

- the owner's money;
- gifts, loans, and investments; and
- banks and credit unions.

Della used some of her money. She borrowed additional money from a bank. To apply for a bank loan you should prepare a business description which includes the following:

- personal background information;
- description of the business; and
- financial information.

Information Needed to Get a Business Loan

Personal background information. This section includes schooling, work experience, and financial history. Someone who had paid his or her bills in the past would have an easier time getting a loan than someone who had been late or not paid bills. Also, the loan officer wants to know if the person has the skills and knowledge to run a business of this type.

Business description. The business description should be written clearly and simply. It should explain your plans for your business. It should tell the lender the following:

- kind (and name) of business;
- services to be provided;
- location of business and why you selected it;
- kind of customers you will serve;
- kind of competition you will have and why you think you can compete;
- expected growth; and
- hiring plans.

Financial Information

The lender will require detailed financial information. The banker wants to support a profitable business. Making loans is how a bank makes money. The banker does not want to lend money to someone who may not be able to pay it back. The loan officer wants to know that you have planned ahead and how much money you will need. The officer needs a good estimate of how much money you will have left over after paying your expenses.

A new business will usually have expenses in the beginning before providing services or collecting money. These are called start-up expenses. In the beginning a business will usually spend more than it makes. It will need money to support getting started. As the business gets established, it will want to collect more money than it spends. It will use some of the difference to pay back any money that was borrowed.

The exact amount of money required to open a home attendant service depends on the particular situation. Della's case shows about how much money would be needed to start a small, one-person business. These start-up costs are relatively small.

The largest purchase Della has to make is for furniture and equipment. She needs the following items: electric typewriter, caluculator with tape, two desks and chairs, one or two side chairs, a filing cabinet, and a storage cabinet. These could be leased to reduce start-up costs. But leasing can be more costly in the long run.

Della's biggest start-up cost is paying attendants while she is waiting to receive payment from customers. Here is an example of how Della figured out about how much she would need.

$5/hour x 8 hours/day = $40/day
x 20 days/month = $40 x 20 = $800/month

She estimated that she would have 12 employees.

12 employees x $800 = $9,600

She needed to allow at least a month between when she would pay her employees and when she would get paid by her customers. She estimated that $10,000 should be enough to meet the payroll expenses.

Some home attendant services operate differently and require less operating money. They have the customer pay the home attendant directly. Then they bill the attendant a percentage of their pay. That way they do not have a large salary expense.

Summary

To start a home attendant business requires money. The start-up costs may be more than the owner can afford from personal savings. The owner may need to borrow money. A good business description can help in obtaining a loan. It shows that the owner is capable, organized, and has planned carefully. A good business description is also useful for the owner in making decisions and in having clear goals for the business.

Learning Activities

Individual Activities

1. List the three major parts of a business description.

2. Write a short business description for Della Jackson's business. Base it on the information you have been given. Include at least one sentence for each of the three major parts of the description. Remember that the description is to show that Della's business is well planned and likely to succeed.

3. Make a list of 10 expenses of a home attendant business.

4. Della pays her attendants $5 per hour, and they work 160 hours a month. What would be the salary expense for one month for five employees?

5. Based on the information you have about Della Jackson's plans, fill in the blank spaces on the form below.

STATEMENT OF FINANCIAL NEED	
Starting Expenses	**Money on Hand**
Salaries $	Cash on Hand $
Building Expenses	Gifts or Personal Loans
Repairs and Renovations	Investment by Others _____
Equipment and Furniture	TOTAL
Inventory or Supplies	
Advertising	
Other _____	
TOTAL $	TOTAL STARTING EXPENSES $
	TOTAL MONEY ON HAND _____
	TOTAL LOAN MONEY NEEDED $

Discussion Questions

1. Della estimates that she will spend $15,000 in the first three months of business. She estimates that in the first three months she will only collect $10,000. Do you think Della should still go ahead and start her business? Defend your answer.

2. Start-up expenses for a home attendant business can vary. What are the advantages of starting out small? What are the advantages of starting out large?

3. Would you lend money to Della for her home attendant business? What conditions would you put on the loan?

Group Activity

Do a role play situation. Have one person play the role of Della Jackson. Have another person play the bank loan officer. Have Della ask for a $10,000 loan for her business. Do the role play for five minutes. Then have each person share how it felt to play his or her role. Next, change roles and have two different people act out the same situation. See what different people do in a similar situation.

UNIT 4

Being in Charge

Goal: To help you select and manage the people with whom you work.

Objective 1: Decide how to divide the work of your service among several employees.

Objective 2: Pick the best person for a specific job in your company.

Objective 3: List three ways to keep your employees happy.

DELLA IS IN CHARGE

Once Della organized her business and rented an office, she was ready to hire home attendants to work for her. She began by writing a job description. She listed what the home attendants would do and also what they would not do, such as heavy housework and medical care. She also listed what qualities she was looking for. What was most important was that they enjoyed working with the elderly. They had to be in good physical condition, too. She contacted employment agencies and looked at newspaper ads to decide what wage to pay her attendants.

Della advertised for home attendants in many different ways. She placed ads in the local newspaper under "employment agency" and "domestic help." Many people responded to the ads. Della found this was her best way of attracting applicants.

Now came the selection process. Della says, "I know that the success of my business depends on attracting and keeping good employees. It takes time to interview people, check their references, and train them. But the time will be well spent if I can get people who want to do this kind of work and are good at it."

During the first month Della interviewed 25 people. At the end of the month Della had hired five full-time home attendants. She had four others who were interested in part-time work.

She worked in the home with the five full-time employees. She trained them in skill areas where they needed assistance. In this way she got to know each employee. She became confident in sending them out on jobs alone.

Della found that she was spending most of her time in the office talking on the telephone to customers, interviewing applicants, scheduling, and keeping records. She also spent time visiting hospitals and social service agencies to promote her service.

Being in Charge

Working with your employees is an important part of a home attendant service. The success of your business depends on doing a good job of "being in charge." If you do not have enough attendants, you won't be able to serve your customers. If your attendants do poor work, you may lose business.

In this unit you will learn about:

- tasks involved in running a home attendant service;
- hiring staff; and
- keeping employees happy.

Tasks

Here are major types of tasks involved in operating a home attendant business.

Customer relations. This involves talking to customers on the phone and discussing their needs and available services. Sometimes you must visit a customer's home to learn about their particular situation. You must also handle customer problems.

Employee relations. This area includes interviewing, hiring, training, and supervising employees.

Scheduling. To match customer needs with employee availability requires an effective scheduling system.

Promotion. This involves calling and visiting potential referral sources. You also will prepare newspaper and other advertisements.

Office tasks. There are many such tasks including typing, answering telephone calls, bookkeeping, filing, billing, and recordkeeping.

Business management. This involves such tasks as setting up systems, establishing policies, reviewing financial records, making business decisions, keeping informed of regulations and requirements, and preparing tax returns.

In a small agency one person may do all these tasks. That is how Della planned on running her business. In a larger agency, staff would specialize in the tasks they would do. Specific jobs might include: coordinator, interviewer, secretary, business manager, bookkeeper, or supervisor. Most agencies use an answering service to take messages when the office is closed.

Selecting Staff

To select a good employee, you should be clear on what tasks you want the home attendant to do. You should recruit people who have the skills, experience, and desire to do the job.

Some qualities you might look for include the following:

- enjoys working with the elderly;
- enjoys helping others and is caring and sensitive;
- skill and experience in home management and personal care;
- able and willing to do some heavy physical work;
- does not mind doing housework;
- good health;
- enjoys change and the lack of a set routine;
- reliable;
- dependable car and car insurance;
- telephone at home where can be reached;
- willing to work in neighborhoods where customers live; and
- 18 years of age.

In some areas there is a certificate for a home attendant. It shows that the person has received certain training. Helpful classes would include first aid, gerontology, nutrition, and home economics. A high school degree is not usually necessary. But some basic English skills are important.

Good potential employees include both men and women of all ages. Often women from 40 to 60 years of age work in this field. College students are also good prospects. Often they can work full-time during the summer and part-time during the rest of the year.

Some ways to advertise for home attendants include:

- want ads in local newspapers;
- employment office;
- adult education programs;
- college employment office;
- referrals from current employees; and
- churches, social agencies, etc.

Ads in the classified section of the newspaper can reach a large number of people at a reasonable rate. Also home attendants will often look in the Yellow Pages of the telephone book when they are looking for work. Some agencies put up posters and distribute fliers. Sometimes they offer their staff a bonus of around $25 if they refer a friend who is hired. You will need to find out what the best way is to recruit people in your local area.

It is important to carefully screen job applicants. You want to send well-qualified, dependable home attendants out to customers. Applicants should:

- fill out a job application;
- have a personal interview; and
- provide personal references.

Recent job experience is particularly helpful. It shows that the applicant has done this kind of work and knows what is involved. The

personal interview is very important. It can reveal personal qualities that do not show up in an application. Good judgment in interviewing can avoid staff problems later. The applicants' references should be checked out. Often a new employee is hired on a probationary basis for the first three months. Then the employee is evaluated for satisfactory service.

Employee Satisfaction

Once you have hired your home attendants, it is important to do things to keep them happy. You want them to do quality work and continue on the job. You don't want them to quit or have to be fired. Then you will have to spend time and money finding and training new employees. Some of the ways to keep employees happy are to provide good pay and benefits, clear policies, and appropriate training and supervision.

Pay. The pay you give your employees should be close to what they would get working for someone else. If you pay less, they may get a job elsewhere. If you pay much more, you may not be able to keep your prices low enough to be competitive. You also need to consider benefits. Typical ones are health insurance, sick leave, and vacation. You can increase the pay rate with length of service to encourage experienced attendants to stay with your agency. A bonus or other money incentive can be used as a reward for work well done.

Clear policies. You should be clear on what your policies are and provide them to employees in written form. Include such things as how assignments are made, how to fill out a time card, when the attendant will be paid, travel allowances, and work duties.

Training and supervision. It is important to train new employees in your procedures. The amount of training required will depend on the experience and skills of the employee. The training can combine office orientation and on-the-job instruction by an experienced worker. There

should also be on-going training and supervision to teach improved procedures and to discuss problems. Some agencies have their attendants meet together once a month to share experiences with each other.

Being a home attendant can be hard. The person he or she is caring for may be depressed or irritable. Sometimes the home attendant needs emotional support. He or she needs someone to talk to and provide ideas for dealing with a difficult client. A good supervisor can provide this kind of support and encouragement when it is needed. The supervisor can also recognize work well done to promote a positive work attitude.

Summary

There are many tasks to be done to manage a home attendant business. An owner can do many of these tasks or hire other people to do them. Hiring good employees is critical for the success of the business and should be done carefully. The owner's goal should be to develop a group of dedicated, competent employees who get satisfaction from their work.

Learning Activities

Individual Activities

1. Della decides to hire a person with clerical skills to help her in the office. List five tasks Della could give to this person.

2. Look in the classified section of a local newspaper under "House Help" or "Domestic Help." Cut out the ads listed and bring them to class.

3. List three ways in your local area to advertise for home attendants.

4. List three ways to help keep employees satisfied.

5. Find out if there is a local certification program for home health aides and how to qualify for the certificate.

Discussion Questions

1. Here are two ads for a home attendant. Which do you prefer? Why?

Best Positions	Home Aide Agency
Top Salaries	Homemakers for elderly wanted
A-1 Home Help	278-3421
288-3000	

2. These two people applied as a home attendant. Which would you prefer? Why? What other information might you want?

- John Fredrickson, 55 years old. John worked for the last two years as a companion and attendant for an elderly man.
- Rosa Gonzales, 18 years old. Rosa helped in her own home with grandparents and children. She took home economics classes in high school.

3. You are the owner of a home attendant service. One of your customers mentions that a home attendant has not been staying for the full time. How would you handle this situation?

Group Activity

Write a short background description of a person applying for the position of home attendant. One person should play the role of Della Jackson and another person should role play the applicant. Do a role play of a job interview. After the role play the actors should give their reactions to playing their roles. Then switch so that two other people can act out the roles.

UNIT 5

Organizing the Work

Goal: To help you organize the work of your home attendant service.

Objective 1: List what needs to be done for one of your customers on a work order form.

Objective 2: Given several tasks to do on a particular day, write a work schedule for yourself or an employee.

44

DELLA ORGANIZES THE WORK

Della's days were busy and interesting. One of her problems was that she was too busy. She thought she should get more done in a day. Della said, "I'd like a clearer idea of where my time does go." Here is a record of how Della spent her time on one day.

Tuesday, May 3

8:00 - 9:00	Arrives at office. Listens to phone messages. Message from attendant who calls in sick. Calls available attendants and finds replacement for the person who called in ill.
9:00 - 10:00	Call from a client with a problem. Discusses problem and comes up with a solution. New client calls. Della fills out work order. Della looks over schedule and schedules attendant for new job.
10:00 - 11:00	Scheduled interview with job applicant.
11:00 - 12:00	Bookkeeping, typing, and recordkeeping. Telephone calls from two attendants and one customer.
12:00 - 1:00	Lunch
1:00 - 3:00	Visit to hospital to see discharge worker. Travel time.
3:00 - 4:30	Visit to new client. Travel time.
4:30 - 5:30	Attendant stops in office. Della chats with her.

Della decided to train one of her attendants to work part time in the office. This gave Della a back-up if she was unable to work. It also gave her time to work on other tasks knowing that the office work was being handled.

Organizing the Work

The major service of a home attendant business is matching up people who want help in their home with home attendants who can provide this assistance. This requires good coordination. A home attendant business must develop a recordkeeping system. Such a system keeps track of the people available to do the work, the work to be done, when it will be done, and if it gets done as scheduled. This unit gives some samples of the types of forms that can be used in a recordkeeping system. The sample forms include the most important information. Actual forms used by a business would probably be more detailed.

Keeping Track of the Staff

Keeping a brief summary of each employee and his or her general availability is important. Here is an example of one form Della developed. It includes information on each employee's availability and work preferences. She kept this information on 5 x 7 inch cards and kept them in a file box on her desk.

Name: _____

Certification: Yes_____ No_____

Availability:

	MON	TUE	WED	THU	FRI	SAT	SUN
Day							
Evening							
24-hour live-in							

Preferences:

Day	_____	Personal Care	_____
Evening	_____	Assist in Movement	_____
Live-in	_____	House Cleaning	_____
Elderly	_____	Meal Preparation	_____
Ill	_____	Driving	_____
Child Care	_____	Companion	_____
Disabled	_____		

Della also has a notebook in which she keeps the attendant's job application and a form with information on the attendant's status with the agency. In addition, attendants call the office once a week to confirm that they are available.

The Work to Be Done

A work order is used to record the customer's order. The work order is filled out by the owner or another employee after talking to the customer and finding out what service he or she needs. A copy of the work order form is given to the attendant who is assigned that customer.

A sample of the form Della developed appears on the next page.

WORK ORDER

Name: _____ Date: _____

Address: _____ Number: _____

Phone: _____ Order Taken By: _____

Client's Condition: (physical and emotional) _____

_____

_____

Members in Family	Age	Situation
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Job Description

Personal Care:

- Bath _____
- Shampoo _____
- Shave _____
- Shower _____

Assist in Movement:

- In bed: turn, etc. _____
- Transfer-bed to chair _____
- Assist walking _____

Meal Preparation:

- Meal planning _____
- Meal preparation _____
- Special diet _____

Other: _____

_____

House Cleaning:

- Change bed _____
- Vacuum _____
- Bathroom _____
- Kitchen _____
- Laundry _____
- Other _____

_____

Driving:

- Food shopping _____
- Errands _____
- Transportation _____

Companion:

- Interests _____

_____

Days: _____ Starting Date _____

Hours per Day: _____ Length of Job: _____

Physician: _____ Phone: _____

Travel Directions: _____

_____

The form had a second page with information on the referral source and how to bill for the service.

Scheduling

Scheduling involves matching attendants with work orders. To select appropriate attendants for specific jobs, you would consider their time availability; their skills, experience, and preferences; and how far they are willing to travel. Scheduling for full-day and live-in assignments is generally straightforward. Scheduling becomes more complicated when you schedule part days, as Della does. She has to consider the attendant's other assignments and the travel time required between assignments. Below is the form Della devised for scheduling.

June 1-5

Staff Person	Monday	Tuesday	Wednesday	Thursday	Friday
	8-10 Rush	9-12 Harris	8-10 Rush	9-12 Harris	8-10 Rush
JANE	10-12 Hayes	1-4 Jones	10-12 Hayes	1-4 Franklin	10-12 Hayes
	1-5 Allan		1-5 Allan		1-5 Allan

The home attendant, Jane, shared her time among six different households during the week. She visited them once, twice, or three times.

Time Card

Della also has her employees fill out a weekly time card for each customer. The attendant has the customer sign the card. This information is used for paying the attendant and for billing the customer.

TIME CARD

Client: _____

Address: _____

Day	Date	Time In	Time Out	Daily Total of Hours Worked
Monday				
Tuesday				
Wednesday				
Thursday				
Friday				
Saturday				
Sunday				
			TOTAL HOURS FOR WEEK:	

Employee Signature: _____

Client Signature: _____

Time Planning

A major problem for most small business owners is planning their own time. One way to plan is to list all the things you want to do. Then rank them in order of importance. Take into consideration both how important they are to do and when they should be done. Then you can set up a tentative schedule, allowing time for dealing with unexpected tasks during the day.

Summary

A smoothly operating home attendant business depends on an effective system of keeping track of the work to be done and who is doing the work. Then customer requests can be handled quickly and efficiently and attendants will be certain of their assignments.

Learning Activities

Individual Activities

1. List three pieces of information you would want on a staff availability card.

2. List five important pieces of information you would want on a work order.

3. Make up a one-day schedule for a home attendant given these assignments. The time estimates include travel time.
   - 1½ hours, downtown;
   - 2¼ hours, south of town; and
   - 4 hours, downtown.

4. Make a list of the activities Della did on her typical day. List them in order of importance. Put a "✓" by tasks that needed to be done that day and an "x" by those that are long-term tasks. Make up a schedule for Della for that day.

Discussion Questions

1. What problems might occur if you did not use a work order form but just told your employees what jobs to do?

2. Look at the work order form Della uses. Do you think it is clear? Easy to use? Detailed enough? Too detailed? What improvements might you suggest? What other information might you want?

Group Activity

Pretend that you are a potential client for a home attendant service. Write a short paragraph on your age, situation, and desired services. Form pairs and have one person play the role of coordinator and interview the other person as a potential client. As coordinator describe the services of your agency. Get enough information so you can fill out the work order form.

Now change roles and have the other person play the role of coordinator.

UNIT 6

Setting Prices

Goal: To help you set prices for your home attendant service.

Objective 1: Given things to consider about the price of a service, select the best price.

DELLA SETS HER RATES

Della needed to decide how much to charge for her services. She wanted to charge enough to pay her employees, cover her expenses, have a salary for herself, and have some left over to reinvest in the business. She figured that within a year she would have about 20 attendants working full-time. She did her figures on this basis.

Money Needed Every Month

Salaries and benefits for attendants ($5.50 x 3,200 hours)	$17,600
Salary and benefits for office assistant	500
Other operating expenses	1,500
Della's salary	1,000
Profit--to invest in business	400
	$21,000

Della figured some time of the attendants was spent in training and supervision. They also spent some time traveling between customers. So she could only bill for 2,800 hours of customer time in a month. To figure out her price to charge, she divided her expenses in one month by hours charged to customers in a month.

$$\frac{\$21,000 \text{ expenses}}{2,800 \text{ hours}} = \$7.50/\text{hour}$$

Next Della called several nursing registries to see how much they charged. She found that their rates for a full eight-hour day were lower than her tentative price, or an average of $6 per hour. However, their prices for part days were higher, usually between $8 and $9. Often they set a four-hour minimum. Della decided that her price of $7.50 per hour for part-day service was a competitive price.

Setting Prices

To be successful, you must set rates which are acceptable to your customers, are competitive with similar services, and allow for a profit. This unit discusses what to consider in setting rates.

Acceptable to Customers

Your rates must be acceptable to your customers. Many people would like to have a home attendant, but cannot afford it. If the cost of home attendant service is too high, customers will do without it. Or they will find other alternatives. They might use a nursing home, move in with a relative, or find some other source of help.

In Line with Competition

Customers usually check the rates of several services before deciding on one. The clients will not be willing to pay higher prices unless there are extra services or advantages for them, such as reliability or friendly staff. Della's strategy was to offer lower prices for partial-day service to be competitive.

Components of Price

Operating expenses. Operating expenses include salaries and benefits. They also include overhead expenses such as rent, utilities, telephone, advertising, repairs on office equipment, supplies, accountant services, license fees, insurance, travel expenses, and all the other expenses to operate a business. The owner takes all these into

consideration before deciding what to charge for a service. The owner tries to keep the expenses down. That way he or she can keep prices down, too.

Profit. The profit is what is left over after all expenses have been paid. The profit includes the owner's salary, income tax, and money to improve the business. You must decide how much profit you can make and whether this is acceptable for you. Many small businesses start out with little or no profit in the first year.

Establishing a Price

There are many issues to be considered in setting rates for a home attendant service. Salaries of attendants are the biggest expense. Questions to be decided are:

- Should all attendants be paid the same, or should some get more for length of service or education?
- How much should be spent on benefits such as health insurance, sick leave, and vacation? Some agencies do not provide such benefits. Others consider their attendants to be permanent, full-time employees, and do provide such benefits.
- Should attendants be paid for travel to jobs or between customers? If so, should it be a set rate or based on actual miles driven?
- What is the policy on paying live-in attendants? Live-in attendants work off and on over a 24-hour period, but generally not over 12 hours in one day.

How these questions are decided determines the cost of the attendants.

There is another set of questions to be answered regarding prices. Some services are more expensive to provide than others. For example, it is less expensive to the business for an attendant to work all day at one place compared to working for several customers. The difference is due to travel time. Home attendant services will usually charge

different rates depending on the number of hours worked and whether it is a live-in job. Also, a price needs to be established for mileage if the attendant drives the client somewhere or does errands. The business has a fee schedule explaining the costs for different services.

Of course, the owner must charge the customer more than what is paid to the home attendant. It is typical to charge customers from 30% to 50% more than the home attendants are paid. In Della's case she was charging about 45% more for partial-day service. She could charge close to 30% more for full-day service.

Summary

Setting prices depends on the cost to provide the service, customer demand, and the prices of the competition. Some services are more expensive to provide than others. Setting rates requires reaching a balance between charging customers an amount they can afford, paying the attendants a fair wage, and making a profit so the owner will have a living salary and the business can continue to operate.

Learning Activities

Individual Activities

1. Call up two agencies in your area that provide home attendants. Find out how much they pay the home attendants and how much they charge the customer. Write down your findings.

2. List five kinds of operating expenses of a home attendant business.

3. Home Help Agency charges its customers 30% more than it pays its attendants. The attendants earn $5 per hour. How much is the customer charged?

4. In one month Home Care Agency needs an average of $42,000 to cover operating expenses and desired profit. In an average month attendants work 6,000 hours. How much should the agency charge customers per hour?

Discussion Questions

1. If Della's competitors had charged $6 per hour for partial-day service, what should Della have done? Why?

2. In a local area one home attendant service charges $5.50 per hour, two charge $6.50 per hour, and another charges $7.50 per hour. What would you charge and why?

3. As a customer you want an attendant to come to your house for two hours a day. One service you call charges $7.50 per hour. The second charges $6 per hour with a four-hour minimum. What is the daily charge per service? Which service would you prefer?

Group Activity

Two owners of home attendant businesses give these viewpoints on setting prices.

> "I pay my attendants well and they do good work and stay with me a long time. I charge a higher price than most of my competitors, but our reliability and personal attention make it well worth the price."

> "My prices are among the lowest in the area. I make less profit on each assignment, but I attract more customers that way and my total profit is high."

Discuss each viewpoint. As part of the discussion take the viewpoint of either a customer, an attendant, or the owner.

UNIT 7

Advertising and Selling

Goal: To help you learn ways to advertise and sell your services.

Objective 1: Pick one way to advertise your home attendant service.

Objective 2: Design an advertisement for your home attendant service.

DELLA SELLS HER HOME ATTENDANT SERVICE

Della knew that her business success depended on attracting and keeping customers. One of the first things she did in organizing her business was to plan what advertising to do, when to do it, and how much to spend.

The first thing Della did was to prepare an ad for the Yellow Pages. She knew this would be a major source of business. So she decided to make a major investment in this form of advertising. Here is the wording for the ad she prepared.

HOME AIDE SERVICE

Home Health Aides - Homemakers - Companions - Home Live-Ins
for
Elderly - Ill - Convalescent

We specialize in serving our Senior Citizens who need a helping hand.

Hourly Visits or Continuous Service
874-3211
384 West First Street, Hillsdale

- Employee Inquiries Invited -

Unfortunately Della found out that the new telephone book would not come out for two months after she wanted to open. She decided that during the first few months of business she would run daily newspaper ads. She also planned to visit potential referral sources, such as hospitals. Della had an artist develop an attractive brochure and poster describing her services. The materials included simple pictures of an attendant at a bedside, one guiding a person in a wheelchair, one cooking at a stove, and one vacuuming. Della took these materials with her on her visits.

Della says, "I am using advertisements to attract customers. I know that good service and recommendations from satisfied customers are the key for my long-run business success."

Advertising and Selling

Customers need to know a home attendant service is available to use it. The purpose of advertising is to attract customers. How you deal with the customer and the quality of the service will determine if they are satisfied and will continue to use your service.

This unit will discuss:

- customer needs;
- advertising and promotion; and
- selling and customer relations.

Customer Needs

It is important to remember what the basic motivation is for people to use a home attendant. They want assistance with personal duties and household tasks at a reasonable price. They want a home attendant who is reliable, efficient, and cheerful. Most important, they want someone they feel comfortable with and will want to have in their home.

Advertising and Promotion

There are many ways to advertise. Most businesses use a combination of approaches. A new business may start out with a large advertising budget to attract new customers. An established business may have a moderate advertising budget. It may draw more on repeat business and referrals. Advertising is expensive. You must decide how much you can afford to spend. A business owner wants his or her advertising to be cost effective, to generate the most business at the least cost. That sounds easy, but it is difficult to predict! A business will often keep

track of how customers heard of it to find out if the advertising is attracting customers.

Often a company will project an image through its advertising. The image may stress personalized service, professional staff, or reasonable rates. Different images will appeal to different customers.

Below are a number of ways to attract customers.

Yellow Pages of telephone book. This is the most important form of advertising for many home attendant services. The ad should include the name of the agency, the telephone number, and the services provided. The ad should be attractive, simple, and informative. The cost depends on the local area and the size of the ad. The ad serves two purposes. It must attract customers and attract attendants looking for work. Companies sometimes select a name starting with a letter that comes early in the alphabet so their listing will be among the first people see.

Newspaper ads. The newspaper can be a relatively inexpensive way to reach large numbers of people. Both large newspapers and small neighborhood papers can be used effectively. Home attendant agencies may place an ad under the classified section of "Employment Wanted." Sometimes customers see the ads in the paper for attendants and respond that way.

Promotion. Home attendant agencies also make contact with people in the community who might refer customers to them. Good people to contact include hospital discharge workers, directors of convalescent hospitals, doctors and their nurses, churches, social workers, and information and referral programs. Others to contact include staff of community organizations, foundations, and health societies serving the elderly or other appropriate groups. The owner or other staff person may write a letter followed by a telephone call and a visit. A personal visit can be very valuable in establishing an on-going personal relationship with

a referral source. Attractive brochures and posters can be distributed as part of the promotion effort.

Personal contacts. Business from friends and their referrals can be a good source of new business. Giving people a printed business card with your name and telephone number assists in this. Often people draw on friends from a church, club, or other group they belong to.

Customers. Repeat business and referrals from satisfied customers are a good way to develop a base of customers. Sometimes a special promotional letter may be sent to former customers.

Government agencies. Sometimes a county or city will have funds available to assist the elderly and other special groups. They may have a contract with a local business to provide home attendant services. The government agency pays for all or part of the service. A home attendant owner should find out if such programs exist in the local area and determine if it is a potential source of business.

Any business would use a mix of these advertising approaches.

Selling and Customer Relations

Once you have attracted customers you must "sell" them on using your service. Ways to do this include:

- the initial telephone call--Are the customers treated in a courteous manner? Are their questions answered? Are they provided with the information they need, such as how to determine if the costs are covered by insurance?
- filling the order--Are orders filled promptly? Are the customers informed when the order is filled? Are the customers told if you cannot fill the order so they can make other arrangements?
- the attendants--Are the attendants neatly dressed? Are they reliable, friendly, and competent?

- written communications--Are the billings, time cards, and policy statements clear and readable? Are they attractive and professional looking?
- dealing with problems--Are problems dealt with quickly and smoothly?

Every contact the customer has with the business influences his or her impression.

Summary

To have a successful home attendant business you must attract customers and demonstrate that you can provide them with the service they want. You should have an advertising plan describing the type of advertising you will do and how much you will spend. Every contact you have with customers contributes to their impression of your business.

Learning Activities

Individual Activities

1. List five ways to advertise for a home attendant business.

2. Look in the Yellow Pages under "Home Health" and "Nurses Registry."

   a. Find an ad that is particularly attractive. Why do you like it?

   b. Which ads do you think are most expensive?

   c. List five special features which could appeal to customers.

   d. Find an ad for an agency that specializes in home attendants.

   e. Find an ad that appeals to possible employees. How does it do that?

   f. Find an ad for a company that places other types of temporary workers, such as office workers.

3. Call the business office of the telephone company and find out how much it costs for different size ads. Write down your findings.

4. Look in your local newspaper in the classified section under "employment wanted" and see if there are any ads by home attendant agencies. If so, bring the ad into class. Figure out how much it would cost for a short classified ad. (Look at the beginning of the classified section to find out the rates.)

5. Pretend you are Della. Write a short letter (one or two paragraphs) introducing Home Aide Service to the director of a senior citizens' center. Make sure to describe your services and any special selling points. Mention that you will call soon.

Discussion Questions

1. Below is a list of names of agencies that place home attendants. Select one name you like and one you don't like. Explain the reasons for your selection.

   Connie's Home Management Agency
   Family Care
   Johnston Home Health Agency
   Home Help
   Medical Personnel Pool
   National Health Care Associates
   Quality Care Service
   Temporary Services
   Visiting Nurses
   We Care Personal Services

2. Della says, "My attendants are my best sales people." Discuss.

3. An owner of a home attendant agency has the following choices for an ad in the Yellow Pages and a budget of $1,000 for the year for advertising. Which size Yellow Page ad do you think the owner should buy? What other kind of advertising should the owner do?

   - short listing $100/year
   - medium size display ad $500/year
   - large display ad $1,000/year

Group Activity

In small groups, prepare a simple ad for a home attendant business to appear in the Yellow Pages. Include the name, telephone number, services, and other information you feel is appropriate. Share your group's ad with the class and explain why your group designed it as it did.

UNIT 8

Keeping Financial Records

Goal: To help you learn to keep financial records for your home attendant service.

Objective 1: Given information about the services performed for a customer, fill out a customer account form.

Objective 2: Given information about income and expenses on a single day, fill out a daily cash sheet.

71

DELLA KEEPS FINANCIAL RECORDS

Della developed a bookkeeping system to keep track of her expenses and income. She based her system on the procedures used where she worked before. As part of creating the system, she talked to an accountant. He gave her ideas on how to improve it and make it more useful for Della's particular business. She visited an office supply store and found forms that she could use in operating her system.

Each week Della pays current bills, records payments from customers, deposits money in the bank, summarizes her records to see how much cash she has, and summarizes time cards. Della says, "Sometimes it's a chore to do the bookkeeping. Other things seem more urgent. But I know that it's important to keep up on a regular basis. Otherwise I'll get a big pile to do all at once. Besides, this is how I tell how the business is doing and I can handle problems quickly when they start."

Della pays her attendants twice a month. She bills her customers monthly. She says, "I know some businesses bill more often. But I think once a month works well with the kind of customers I have. It takes a lot of time to do the billing." Also she reviews her budget once a month. She analyzes her cash position to make sure she has enough to pay her attendants. Sometimes she borrows money for short periods of time. Several times a year she summarizes the information. Once a year she works with her accountant to prepare a balance sheet, stating how much she has and what she owes others. She also does a profit and loss statement, which shows how profitable her business is. Her accountant also helps Della with her taxes each year.

Della says, "I spent a lot of time setting up my system. It was easy to do and was well worth the time in the beginning. Now I do the bookkeeping myself so I know what is happening to the business financially. But it is taking a lot of my time. I want to gradually turn some of it over to my office assistant."

Keeping Financial Records

As a business owner, you must have a clear way to keep track of the money. Different businesses have different recordkeeping needs and methods. This unit discusses the importance of keeping financial records. It gives two examples of the types of records that might be kept.

Importance of Financial Records

Sometimes people starting a home attendant business are concerned with meeting the needs of the elderly and other customers. But they do not have much knowledge or experience in bookkeeping or accounting. Yet, running a profitable business depends on understanding the finances. Owners do not need to do the bookkeeping. But they should be able to do it. Then they will be able to use the company's bookkeeping system to find out what they need to know. They will be able to train and supervise others who use the system. Classes or individual study in bookkeeping and accounting can be helpful.

Purposes for keeping financial records include:

- to make business decisions and plans;
- to keep track of revenues (money coming in);
- to keep track of expenses (money going out);
- to prepare taxes and other business reports for government agencies;
- to compare actual costs with the budget;
- to anticipate cash shortages;
- to see how much it costs to provide different services; and
- to determine profits.

This unit discusses two other types of records, a customer account form and a daily cash sheet. Other records might include payroll records, income tax records, and records grouped by type of expense.

Customer Billing

A business needs a way to bill customers for services provided. Bills should be neatly typed with clear directions for payment. Della decided to bill her customers monthly. But some businesses bill weekly or every two weeks. Owners want customers to pay their bills promptly and may add a penalty fee if their payment is late. Sometimes customers do not pay their bills for long periods. The owner will stop providing services until the bill is paid. The owner also may turn the bill over to a bill collection agency.

Sometimes home attendant fees are covered by "a third party," such as insurance, workman's compensation, or other government program. Sometimes the home attendant business will bill the client and ask that the client collect from the third party. At other times the home attendant business collects directly from the third party. It is important that the owner be familiar with insurance and government regulations, coverage, and procedures and be able to discuss these issues with customers.

Della pays her attendants for the work they do before she collects from the customer. That is why she needed to borrow money from the bank to get her business started.

A customer account form is kept in the office and shows how much a customer has been billed and how much they paid. On the next page is an example of a customer account form.

Customer Account Form				
Customer: Inez Nagai, 267 Pennyhill Drive				
Date	Description of Service	Amount Charged	Payment Received	Balance Due
July 7	June, 24 hours	$180.00		$180.00
July 25	Payment		$180.00	---
August 5	July, 20 hours	150.00		150.00

A sample entry has been made to show how the form is used. Inez Nagai was billed $180 for services in June. She paid this bill on July 25. She was billed $150 for July services, which she owes.

Cash Sheet

A daily cash sheet such as the one on the next page can be used to keep track of the money coming in and going out of a business each day. The form is only a sample. The system actually used will depend on the specific business.

DAILY CASH SHEET			
Cash Receipts		Cash Payments	
Customer Payment	$200.00	Salaries	
		Building Expenses	
		Equipment and Furniture	
		Inventory or Supplies	
		Advertising	$100.00
		Other	
TOTAL CASH RECEIPTS	$200.00	TOTAL CASH PAYMENTS	$100.00

A sample entry is made. A check from a customer for $200 was received, and $100 was spent on advertising that day.

The daily forms are summarized to show the weekly or monthly cash position. The information on daily records is periodically used to prepare other forms that show how the business is doing, such as a balance sheet and a profit/loss statement. You will learn about profit/loss statements in the next unit. If you do go into business for yourself, get the advice of an accountant about how to complete a balance sheet.

Summary

Keeping careful financial records are important to the success of a business. Forms such as a customer account form and a cash sheet are used to keep these records. The specific forms and systems used should be designed to meet the needs of the particular business.

Learning Activities

Individual Activities

1. List four reasons for keeping careful financial records.

2. Complete this Customer Account Form for Julian Garcia using the information below. The rate is $6 per hour.

Date	Description	Amount
Jan. 3	Dec. service, 30 hours	$180
Feb. 5	Jan. service, 20 hours	$120
Feb. 6	Payment received	$180

Customer Account Form

Customer:

Date	Description of Service	Amount Charged	Payment Received	Balance Due

3. Complete this Daily Cash Sheet using the information below regarding cash transactions in one day.

Transaction	Amount
Salaries	$1,500
Customer payment	$ 700
Insurance payment	$ 125

DAILY CASH SHEET			
Cash Receipts		Cash Payments	
Customer Payment	_____	Salaries	_____
		Building Expenses	_____
		Equipment and Furniture	_____
		Inventory or Supplies	_____
		Advertising	_____
		Other	_____
TOTAL CASH RECEIPTS	_____	TOTAL CASH PAYMENTS	_____

4. How could an adult in your local community get training in accounting or bookkeeping?

5. Visit an office supply store and look at the standard forms it has that are used for financial recordkeeping.

Discussion Questions

1. Do you think it is better for the owner of a small business to keep all the financial records or to hire someone to do the bookkeeping? Discuss.

2. Della billed one of her customers $75 for attendant services. The bill is now two months overdue. Della sent a reminder notice after one month. She knows that the family is having financial problems due to medical expenses. What do you think Della should do?

Group Activity

In a small group, make a list of the types of decisions Della needs to make in her business for which it would be helpful to have information from financial records.

UNIT 9

Keeping Your Business Successful

Goal: To help you learn how to stay successful in operating a small business.

Objective 1: Given some information about a business' income and expenses, figure out the net profit (before taxes), profit ratio, and expense ratio.

Objective 2: Given a decline in profits, state one way to increase profits.

Objective 3: Given a specific problem of low sales, suggest a way to change your business to increase sales.

DELLA KEEPS HER BUSINESS SUCCESSFUL

Della has been in business four years now. She has 25 home attendants who work for her most of the time. "I have a fairly steady workload now. I expect it to stay at about this level. My biggest problem is attracting and keeping good staff who will work for the pay I can offer. I have a core staff of 12 attendants who have been with me for several years now. I know I can count on them.

"Also I need to watch how much I spend, or my expenses creep up without my noticing. The biggest competition I now face is from the large temporary office worker agency in town which is expanding into the health area. There is also uncertainty about insurance and government funding for our services. I did a survey and asked customers to rate our services. I also asked them for ideas of other services they might like. I'm now considering making some changes."

Della had these ideas for new services:

- respite care. In-home relief care for children or adults with disabilities such as mental retardation and cerebral palsy. Have received requests for this service. Would need some special staff training.

- personal services. Providing services such as dealing with repairpersons, planning a party, buying a present, decorating a room, or other house management tasks. Aimed at working people.

Della also talks about the satisfactions she gets. "I'm glad I started my business. I'm not getting rich this way. But I am making a comfortable living. Last week I visited an elderly couple who was considering moving to a convalescent home before learning about our services. Our homemaker has helped them brighten up their house and has gotten them interested in house plants. They both are more cheerful now and feel better about themselves. That's what it's all about for me--the people."

Keeping Your Business Successful

A business must make a profit to continue. Profit is one way to evaluate the success of a business. However, there are other personal satisfactions for some people in running their own business. This section discusses personal satisfaction, key elements of a successful business, ways to increase profits, and using a profit/loss statement.

Profit and Personal Satisfaction

Many people start a small business hoping to make more money than they did working for someone else. They take a risk by going on their own. Some people make much more money. Some make about the same. Others make less than what they could make working for someone else. (It's possible, too, to lose money.) Different people are satisfied making different amounts of money from their business.

There are other considerations to being a small business owner. Some people like working for themselves. They may enjoy the independence, the challenge, or the chance to make the decisions. They are usually persistent, hard working, and motivated. Other people don't like it, even when their business is profitable. They may not like the worries, responsibility, the long hours, or all the decisions. Operating a small business is certainly not appropriate for everyone. Personal satisfaction may be more important than profit.

Key Elements of a Successful Business

Here are some major points to consider to keep a home attendant business successful.

Staff. Competent, dependable staff are needed to provide the service.

Satisfied customers. Satisfied customers are the basis for referrals and repeat business which sustains a business in the long run.

Low expenses. A business must keep expenses low to provide services at a price customers can afford and still make a profit.

Trends. Be aware of trends, such as changing age or income level in the area being served. The trend is for an increasing percen- tage of the population to be elderly. This will depend on the particular community.

Flexibility. The business must adapt to changing conditions, such as competition or the general economic situation. The business should also be responsive to the changing needs of the customers. Della was exploring new services where there may be needs that were not being met.

Profit/Loss Statement

A profit/loss statement shows revenue, expenses, and profit during a certain period of time. This information can be helpful in determining how a business is doing and in deciding what changes might be made.

A profit ratio and an expense ratio can be figured from the information on the profit/loss statement. They show the percentage of profit and expenses to sales. They are useful in comparing the performance of a business from year to year. They are figured as follows:

$$\text{Profit Ratio} = \frac{\text{Net Profit}}{\text{Revenues}}$$

$$\text{Expense Ratio} = \frac{\text{Expenses}}{\text{Revenues}}$$

The following is Deila's profit/loss statement for years three and four.

PROFIT/LOSS STATEMENT		
	Year 3	Year 4
Revenue		
Cash Sales	$ ----	$ 25,000
Credit Sales	375,000	375,000
TOTAL	$375,000	$400,000
Expenses		
Salaries	$303,000	$330,000
Building Expenses	10,000	11,000
Travel Expenses	6,000	7,200
Supplies	3,000	2,800
Advertising	12,000	10,000
Other	3,500	3,000
TOTAL	$337,500	$364,000
Net Profit (before owner's salary and income tax)	$ 37,500	$ 36,000

In analyzing the profit/loss statement you can see that Della had more sales in year 4. But she also had more expenses, and her profit as a percentage of sales was lower.

		Year 3	Year 4
Expense Ratio = $\frac{\text{Expenses}}{\text{Revenues}}$	=	90%	91%
Profit Ratio = $\frac{\text{Profit}}{\text{Revenues}}$	=	10%	9%

84

In looking over the expenses for the two years, expenses increased as one would expect for inflation (rising prices) and increases in salary. Della reduced her costs in some categories, such as advertising.

How to Increase Profits

A business owner can increase profits by increasing the amount of money coming in and decreasing expenses. It sounds easy but is often difficult to do!

Some ways to increase revenues include:

- raising prices;
- getting more customers;
- working more efficiently and getting more work done;
- providing different services; and
- specializing in the more profitable services.

Some ways to decrease expenses include:

- limiting pay;
- improving office procedures;
- reducing waste; and
- finding an office with lower rent.

Sometimes it is difficult to reduce expenses much without also reducing the services provided. This may lead to a loss of customers. For example, Della reduced her advertising budget. Perhaps she didn't attract as many customers as she could have with more advertising. Making business decisions requires good judgment.

Summary

A company must make a profit to stay in business. A profit/loss statement shows the owner how much profit there is. It can be used to decide on areas where improvements can be made. Personal satisfaction, as well as profit, is important to the small business owner.

Learning Activities

Individual Activities

1. Give the equation for an expense ratio and a profit ratio. Explain why they are useful.

2. In year five Della had revenues of $385,000 and an expense ratio of 89%. What was the expense total, the net profit, and the profit ratio? Did Della do better or worse than the previous two years?

3. List three reasons why revenues for a home attendant business might go down.

4. List three ways a home attendant business could increase revenues.

5. List three ways a home attendant business could reduce expenses.

Discussion Questions

1. Look again at Della's ideas for new services on page 85. Would you recommend that Della do any of these services? Which ones? Discuss your recommendations and explain your reasoning. What additional information might help Della make a decision?

2. Suppose that Della pays a full-time experienced home attendant $10,000 a year. Which of these amounts do you think Della should earn and why?
   a. $8,000
   b. $10,000
   c. $15,000
   d. $20,000
   e. over $20,000

3. What things do you think you would like about running your own business? What things do you think you would not like?

Group Activity

Assume that you and others in a small group are going to start a home attendant service. What would you want your business to be like? Write down your ideas including the following:

Name of the business
Services
Customers
Location
Number of employees
Why you think you can compete

Share it with the class.

SUMMARY

There is a need for home support services for elderly, ill, and disabled. These services include personal care, light housekeeping, meal preparation, shopping, transportation, and companionship. The need for such services will increase as we have more elderly people. However, people must be willing to pay home attendants a good wage to attract and keep them on the job.

Some home services are provided by businesses. Some are provided by government programs. Some are provided by non-profit organizations. Sometimes a government agency will pay a business or non-profit organization to provide the service. Businesses that provide home attendants include agencies specializing in home attendants, nurses registries, and temporary employment companies. Some are small owner-operated firms. Others are branches of large organizations.

A home attendant business must strike a balance between taking care of the needs of the customer, being fair to employees, and maintaining a profitable business. To be successful the owner should plan ahead, be organized, enjoy managing other people, make wise financial decisions, and be flexible.

In order to own and operate a successful home attendant business you need training in home economics, work experience, and the special business management skills we have covered in this module. If you have not taken a course in home economics, you may want to take one before deciding to

own a home attendant business. You can learn business managment skills through business classes, experience, or by using the advice and example of an expert.

Starting your own home attendant business can be a rewarding challenge. Many people like working for themselves. They like the possibility of earning more income than if they worked for someone else. But it takes hard work. It can be risky to start your own business. It is not appropriate for everyone. Think about how important these things are to you in considering whether you should start your own home attendant business someday.

QUIZ

1. Which of these tasks would most likely be done by a home attendant?
   a. Administer medication
   b. Assist with bath
   c. Change bandages
   d. Wax the floor

2. List three helpful personal qualities of the owner of a home attendant agency.
   a. _____
   b. _____
   c. _____

3. List two ways to help a home attendant service compete successfully.
   a. _____
   b. _____

4. To operate a home attendant service you will most likely need:
   a. a business license.
   b. a complete physical.
   c. a two-year college degree.
   d. to pass a state test.

5. List two things to think about in deciding what area to locate your business in.
   a. _____
   b. _____

6. Which location seems best for the office of a home attendant service?

   a. A home
   b. A shopping center
   c. An office building
   d. A place where many people walk by

7. List the three main parts of a business description.

   a. _____
   b. _____
   c. _____

8. Harvey Ehlert plans on starting a small home attendant service. He has $10,000 he can spend. He estimates that his starting expenses will be $15,000. Fill out the form below using this information.

   Total Starting Expenses _____
   Total Money on Hand _____
   Total Loan Money Needed _____

9. Who would be most likely to match customers with home attendants?

   a. Business manager
   b. Coordinator
   c. Secretary
   d. Supervisor

10. What kind of background would you look for most in a home attendant?

    a. A home health certificate, no job experience
    b. Experience as a home attendant
    c. A home health certificate and experience as a home attendant

11. List three ways to keep employees satisfied.

    a. _____

    b. _____

    c. _____

12. The least important piece of information on a work order form is:

    a. the description of the job.

    b. the name of the person completing the work order.

    c. the name and address of the client.

    d. the starting date and length of the job.

13. Which of the following tasks would Della likely consider most important and do first in her daily schedule?

    a. Billing customers

    b. Interviewing job applicants

    c. Reviewing phone messages

    d. Writing paychecks

14. An agency charges its customers 40% more than it pays its attendants. The attendants earn $4 per hour. How much is the customer charged? _____ per hour

15. Which of these would be the best way to reach customers who know they want home attendant services and want to find out what is available?

    a. Business cards

    b. Letters to doctors

    c. Newspaper ads

    d. Yellow Pages in the phone book

16. List the two most important things to include in an ad.

    a. _____

    b. _____

17. Mildred McPherson was billed for 50 hours of attendant services at $7 per hour. She has paid $200. What would be the balance due on her customer account form?

_____

18. Home Help Agency had the following cash payments and cash receipts in one day: payments received of $521; purchase of supplies $50; and accountant fee of $200 paid. What were the total cash receipts and total cash payments for the day?

    a. Cash receipts _____

    b. Cash payments _____

19. In one year a business has $100,000 in revenues and $80,000 in expenses. Fill in the blanks.

    a. Profit = _____

    b. Profit Ratio = _____

    c. Expense Ratio = _____

20. List the two main things a business can do to increase profits.

    a. _____

    b. _____

21. List two things a home attendant business can do to increase sales.

    a. _____

    b. _____

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PROJECT PRODUCTS

Entrepreneurship Training Components

Vocational Discipline	Module Number and Title
General	Module 1 - Getting Down to Business: What's It All About?
Agriculture	Module 2 - Farm Equipment Repair
	Module 3 - Tree Service
	Module 4 - Garden Center
	Module 5 - Fertilizer and Pesticide Service
	Module 6 - Dairy Farming
Marketing and Distribution	Module 7 - Apparel Store
	Module 8 - Specialty Food Store
	Module 9 - Travel Agency
	Module 10 - Bicycle Store
	Module 11 - Flower and Plant Store
	Module 12 - Business and Personal Service
	Module 13 - Innkeeping
Health	Module 14 - Nursing Service
	Module 15 - Wheelchair Transportation Service
	Module 16 - Health Spa
Business and Office	Module 17 - Answering Service
	Module 18 - Secretarial Service
	Module 19 - Bookkeeping Service
	Module 20 - Software Design Company
	Module 21 - Word Processing Service
Occupational Home Economics	Module 22 - Restaurant Business
	Module 23 - Day Care Center
	Module 24 - Housecleaning Service
	Module 25 - Sewing Service
	Module 26 - Home Attendant Service
Technical	Module 27 - Guard Service
	Module 28 - Pest Control Service
	Module 29 - Energy Specialist Service
Trades and Industry	Module 30 - Hair Styling Shop
	Module 31 - Auto Repair Shop
	Module 32 - Welding Business
	Module 33 - Construction Electrician Business
	Module 34 - Carpentry Business
	Module 35 - Plumbing Business
	Module 36 - Air Conditioning and Heating Service

Related Resources

Resource Guide of Existing Entrepreneurship Materials

Handbook on Utilization of the Entrepreneurship Training Components